

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



Reserve
aHD1761
.E265
1970

--

ECONOMIC RESEARCH SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

CURRENT PROGRAM
and
PROGRESS REPORT

of the

ECONOMIC AND STATISTICAL ANALYSIS DIVISION

Fiscal Year 1970

PREFACE

This progress report is primarily a tool for use of scientists and administrators in program coordination, development and evaluation. The summaries of progress include some tentative results that have not been tested sufficiently to justify general release. Such findings, when adequately confirmed, will be released promptly through established channels. Because of this, the report is not intended for publication and should not be referred to in literature citations. Copies are distributed only to members of Department staff and others having a special interest in the development of public agricultural research programs.

This progress report was compiled in the Economic and Statistical Analysis Division, Economic Research Service, U.S. Department of Agriculture, Washington, D. C. 20250.

October 1970

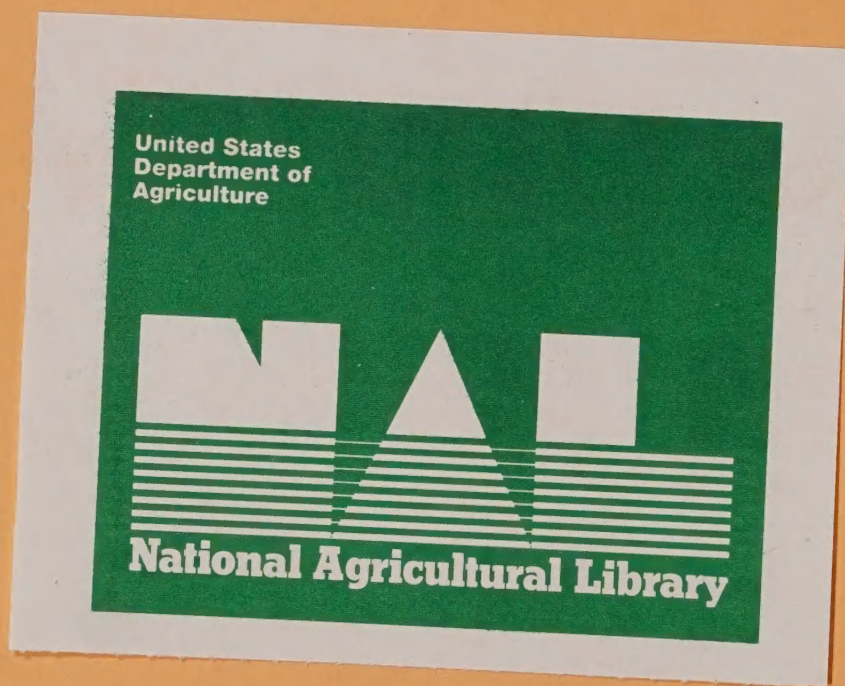
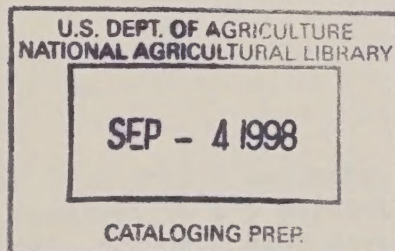


TABLE OF CONTENTS

	Page
Introduction	2
Commodity Analysis	3
Farm Income	14
Demand Analysis	20
Long-run Agricultural Projections	23
Food Consumption	26
Agricultural History	30
Appendices	11, 19, 22, 25, 29, 32



INTRODUCTION

Domestic economic analysis consists of economic and statistical research on agricultural prices, farm income, commodity outlook and situation, the supply and consumption of farm products, and agricultural history.

The material in this report is presented essentially along lines of branch organization. Thus there is a fairly long statement on Commodity Analysis, an area where much of the manpower is located. This is followed by Farm Income. The one exception is the Outlook and Projections Branch; here the work is presented in three parts--Domestic and foreign demand, Long-run agricultural projections, and Food consumption. Agricultural History is a small but important part of the total effort in keeping economic intelligence current.

The economic situation and outlook for agriculture is analyzed periodically in outlook and situation reports, with about 75 separate reports issued each year. These periodicals include commodity reports, the monthly Outlook Digest, and reports on Farm Income, Demand and Price, and Food consumption. Readership covers several thousand people per issue, and consists of a wide variety of occupational interests, including State extension specialists and various news media. Summaries of the reports are distributed through the news media, in part or in whole, to a much greater audience, and provide current economic intelligence relating to farm commodities, prices, and income. Basic research also is conducted, and is reported from time-to-time in special articles in the situation reports and in bulletins.

SEP - 1938

Commodity Analysis

1. Program Objectives

Farmers, processors, distributors, and policy officials, and others need continuing economic intelligence regarding supply, demand, and price prospects to aid them in making sound production and marketing as well as policy decisions to help assure adequate, well-balanced supplies of food and fiber. To insure that the situation and outlook work is as accurate and precise as possible, continuing research is needed on supply response to price, effects of supplies on price, and the effect of changing demand on prices and income.

Specific Objectives:

Appraise market situation and prospects to aid decision makers in making sound and profitable decisions.

Provide research needed for strengthening situation and outlook work.

Improve forecasts of future price, supply and demand prospects.

Appraise current and proposed programs to aid officials in formulating agricultural programs and policies.

Develop and improve basic statistics for use in statistical and economic analysis.

2. ProgressFeed Grains

Strong domestic demand for feed grains and very favorable livestock/feed price relationships in 1969/70 resulted in a 5 percent increase in domestic use--up to a record 156 million tons. Exports also were up, totaling 21 million tons for the season, 3 million more than in 1969/70. Prices rose more than seasonally in the latter part of the marketing year influenced by blight damage to the corn crop, but for the entire year averaged only about 3 percent above 1968/69. Total use was a little above production, leaving a carryover into 1970/71 a little below the previous year's 50 million tons.

Corn leaf blight materially reduced 1970 corn yields in the Southern States and in the Eastern Corn Belt. The U.S. crop was estimated as of October 1 at 4,188 million bushels, 9 percent less than in 1969. The total feed grain crop, placed at 161 million tons, is down 8 percent from last year. Higher feed prices and less favorable livestock-feed price ratios probably will reduce feeding per animal in 1970/71. The smaller crop, however, is expected to fall somewhat short of our total requirements resulting in a material reduction in carryover at the close of the 1970/71 season.

A study of feed price variations revealed that there has been some reduction in variation between soybean meal prices and other protein feeds during the past 15 years. Variations between corn and lower protein feeds were less consistent,

with even wider price variations for some feeds than 15 years ago. Increased attention to feed prices and the use of computers to determine least cost rations have been largely responsible for reductions in price variations.

A special study was made of prospects for feed grains in the 1970's. This study concluded that growth in population and rising per capita income during this decade will set the stage for rising livestock production and expansion in feed grain requirements. Combined domestic use and exports of feed grains are expected to increase more than a third during the next 10 years, requiring a comparable increase in production. Increasing efficiency in feed grain production is expected to keep feed prices relatively low, favoring liberal feeding per animal as well as expanding livestock production.

In collaboration with other economists in ERS and ASCS analyses have been made of alternative feed grain programs for 1971 and later years. Requests from the feed industry, farmers and farm organizations, and foreign countries for economic information relating to feeds are regularly serviced.

Increasing emphasis is planned for analyses of the influence of changes in corn and feed grain supplies on feed grain prices and consumption, and the potential effect of corn blight on the feed situation and outlook.

Food Grains

The 1969/70 crop year was characterized by depressed wheat prices received by farmers and another increase in wheat stocks. Low prices encouraged heavy use of the price-support loan program, as supplies increased more than disappearance. Exports strengthened some from the year-earlier level as both commercial and government assisted exports increased, while domestic use rose reflecting principally increased wheat feeding up 20 percent. However, increase in total use was not enough to offset the larger supplies; year-ending stocks were up by about 8 percent, the third consecutive increase. Prices for the entire year averaged 1 cent below the national average loan.

The 1970/71 wheat situation is particularly volatile. It is faced with an uncertain corn supply, an improved export market and a new farm program. The outlook for wheat this year will depend heavily on the corn market and farmers' reaction to the new program.

The slight imbalance between rice supplies and disappearance kept rice stocks at a high level and further depressed prices. Disappearance was a little lower as exports slipped slightly from the year earlier level; world rice supplies improved and prices declined.

A study of the trends in U.S. rice consumption showed that use of rice has continued to expand despite the general decline in popularity of carbohydrate-type foods. The fastest growing outlets include specialty rice and use by secondary processors. Demand for rice has grown most in the traditional rice-consuming areas of the South and Northeast. In most categories, persons in higher income levels consume less rice than those who earn less.

A comprehensive analysis of the quarterly disappearance of wheat for recent years was prepared for the Wheat Situation. This series will be refined and updated quarterly in the future.

Extensive work was done on the details and effects of the potential farm programs. Assistance was provided the Aggregate Program Analysis team and its regional analysts in predicting the results of these programs on a regional basis. Numerous meetings were held with foreign delegations and individuals, most of whom were importers of U.S. wheat.

With the continuing disparity between the supply and demand relationships for the various classes of wheat, additional efforts will be made to analyse the situation for each class of wheat and to determine the relationship between each class of wheat and the major competing feed grain in each production area.

Livestock and Meat

An evaluation of household meat consumption based on the spring phase of the 1965-66 Household Food Consumption Survey was made in which the nature of meat consumption at home with respect to income, geographic region, and type of urbanization was analysed. Comparisons also were made with the survey conducted 10 years earlier.

A moderate rise in beef consumption is expected during the 1970's. However, increases in consumption are expected to be slower than in the 1960's because the beef production potential is now different. Most of the increase in beef output will come from stepped up marketings of fed cattle. By 1980, fed cattle marketings are expected to account for 80 to 83 percent of total cattle slaughter. This compares with 52 percent in 1960 and about 72 percent in 1970.

The increase in cattle feeding has been associated with decreasing slaughter of grass fed steers and heifers, a rapidly expanding beef cow herd, declining calf slaughter and placement of younger cattle on feed. With further expansion in cattle feeding, opportunities to increase fed cattle marketings by utilizing a greater percentage of total feeder supply will be about gone by the mid-1970's. From that point on, increases in fed beef output will largely depend on larger crops of beef calves.

Major service activities included: livestock projections to 1980; participation in 3 regional and 1 national outlook conference; and briefing of many individuals and groups from the domestic industry and foreign governments on the livestock situation in the United States.

Continued emphasis will be put on long-run economic outlook for livestock and meat including evaluation of factors which affect the demand for meat and the livestock-producer response to changing demands.

Dairy

With rapid changes occurring in the structure of the dairy industry, an article, "Structural Changes in the Dairy Industry" was published. Projections of milk

production, utilization and prices to 1980 under assumptions of low, medium, and high price support levels were updated and revised; results were published in "Dairying in the 1970's." Another publication showed regional changes in milk production and milk manufacturing in the United States during the past 2 decades. Sharply rising labor costs and scarcity of labor on dairy farms led to emphasis on labor efficiency.

The continuing decline in dairy sales particularly of higher-fat products, led to increased analysis of commercial demand; continued emphasis will be placed in this area. Work is planned in developing background statistics to improve estimates of fluid milk and cream commercial disappearance. Also, detailed data on dairy product consumption from the Household Food Survey will be analysed.

Continued imports of dairy products tailored to evade import quotas led to regular reporting of foreign trade conditions, including monthly reports of dairy imports for dissemination by the Market News Service.

Data were provided to the Tariff Commission and Foreign Agricultural Service in preparation for a study and public hearings ordered by the President to determine the need for increased regulation of dairy imports.

Estimates were made of milk production, utilization, surplus, prices, and farm cash receipts expected under alternative price support levels in preparation for the Secretary's annual decision on the price support level.

In the past, much of the whey produced was dumped into streams, but with increased concern for water pollution, other uses of whey must be found. An analysis of whey and lactose production and utilization is planned. Analysis is also planned for dairy products which have grown rapidly in recent years, such as yogurt and sour cream.

Poultry and Eggs

The supply and demand situation for the decade of the 1970's was analysed. Work was also continued on short-run estimation equations to project total eggs produced, eggs used for hatching, and eggs available for table use.

The poultry meat industry has grown phenomenally and will continue to expand during the 1970's. The number of broilers produced by 1980 is projected to total about 1 billion more than the 3 billion raised in 1970. Turkeys produced by 1980 is projected to rise more than a third from the 115 million of 1970.

The egg industry has expanded slowly in the past 2 decades and is expected to expand slowly during this decade. Egg production probably will expand and by 1980 will total nearly a tenth above the 5.8 billion dozen in 1970. Total use of eggs is projected to increase but at a rate slightly less than population growth. Thus, per capita consumption likely will continue to trend slowly downward to around 300 eggs in 1980 compared with 316 eggs in 1970.

Quarterly supply estimating equations for hatching egg utilization and total egg production were developed. Hatchings, both for broiler chicks and for egg-type chicks, fluctuate from year to year and seasonally. Annual use for hatching purposes account for 6 to 8 percent of total egg production. This model helps to project total egg and broiler meat supplies, as well as the demand for hatching use.

Fats and Oils

The 1969/70 fats and oils marketing year was highlighted by the spectacular performance of soybeans. Record large supplies were used. Total utilization ran nearly 30 percent above the previous year, compared with a long-term average gain of about 8 percent. Soybean stocks, record large at the beginning of the season, were whittled down by nearly 100 million bushels. The lower soybean price level early in the season--due partly to the reduction in price support from \$2.50 to \$2.25 per bushel--was a major factor generating the boom. Also, rundown inventories and smaller supplies of competing oils and protein meals--both at home and abroad--were supporting factors.

Continuous appraisal of the fats and oils situation was made and information was disseminated through situation reports, conferences, correspondence, and by telephone.

The record utilization of soybeans, the dramatic increase in the domestic use of soybean oil, and the strong foreign and domestic demand for soybean meal are areas which deserve particular attention to the future. Prospective soybean utilization rates in 1970/71 point to carryover stocks next September 1 down to minimum working levels. A substantial increase in soybean production will be needed in 1971 if soybean use is to be maintained. Soybean yields per acre are increasing slowly and additional acreage will be needed. Uncertainties of the corn blight problem serve to compound this problem for the 1971-crop.

Fruits

More comprehensive data and analyses related to processed fruits were presented in the Fruit Situation. Expansion and refinement of historical data was undertaken for improvement of analyses of this growing segment of the industry.

Progress was made on the preparation of a special article on trends and prospects for the U.S. fruit industry. Analysis indicates production of fruits will increase in the years ahead, with sharper gains for citrus than for deciduous fruit production. Utilization of fruits for processing probably will continue to increase at the expense of fresh.

Particular attention also has been focused on the long-term outlook for oranges. Production of oranges is likely to expand much faster than population.

Service-type activities included the briefing of many individuals from the domestic industry and foreign governments concerning the economic situation in the commodity area.

Several areas warrant additional emphasis in the future. Concentrated study should be given to long-term production, utilization and price probabilities for apples. A potential exists for surplus production of apples in the years ahead.

Vegetables and Potatoes

In the second half of 1969 and in early 1970 fresh market vegetables were in short supply and unusually high prices prevailed. This provoked considerable inquiry from individuals and consumer-oriented groups about the reasons for high retail fresh vegetable prices. On the other hand, some growers were dissatisfied with prices. For example, the Western potato crop was unusually large and growers and their representatives made numerous inquiries to the Department about the need for supply adjustment, leading to special analyses. The processing vegetable industry improved its economic position last year. Large supplies on hand were gradually cleared with a firmer price prevailing.

Projections of 1975 demand for processed tomato products and fresh market tomatoes were made for the OECD. USDA agencies were furnished assistance in analyzing dry bean supply and use, and vegetable price forecasting.

Future activity will be focused on the changed potato market, giving special attention to the increase in processing. Data sources on mushrooms are being explored to determine whether it is possible to report on this item regularly.

Cotton and Other Fibers

The demand for cotton declined in 1969/70 for the third consecutive year. Exports approximated the year-earlier level, but domestic mill use fell about 1/4 million bales. Nevertheless, carryover declined 3/4 million bales as below-average production reduced supplies to the lowest level since 1947.

With the smallest cotton disappearance in three decades, increased emphasis was placed on the use of cotton in both domestic and foreign markets. The impact of increasing man-made fiber use, particularly of the non-cellulosic fabric blends, and the role of relative prices, and other factors in fiber substitution were evaluated. Man-made fibers are expected to continue to penetrate cotton markets in the future, and continued emphasis will be needed in the area of inter-fiber competition. An analysis is underway to project fiber demand during the 1970's.

A study was made of the impact of blends and textile imports on selected cotton end uses. It was found that cotton's losses were much greater as a result of man-made fiber fabric blends than because of cotton textile imports. For 5 selected fabrics, losses to blends totaled the equivalent of about 300,000 bales during 1966-68, while import displacement was small. Major factors contributing to decreased cotton use included fluctuating raw cotton prices, unstable supplies, and lagging technology.

The changing structure of the cotton fiber-textile-apparel complex was the subject of another study. The effect of government programs and expansion of man-made fibers has been evident in cotton and kindred industries in recent years. While cotton production and use declined substantially, use of man-made fibers expanded rapidly. This has led to significant changes in the production, marketing, processing, and retailing of cotton and cotton products. Despite the recent encroachment of man-made fibers, the 1970's may see larger cotton production and use, largely due to an expanding demand for textiles and increased research and promotion in behalf of cotton and cotton products.

Progress toward publication was made on a study to measure factors affecting fiber use in textile end-products, to be published jointly with the University of California at Davis. Domestic fiber demand relationships were estimated for major types of end uses at consumer, fabric manufacturer, and raw fiber levels. Results indicate that long and short-run demand at the consumer level is elastic with respect to income but inelastic with respect to price.

Analyses were prepared for the Secretary's office of the probable impact of cotton program payment limitations on cotton production, farm income, and government costs; and alternative price support programs for cotton, including a return to earlier legislation. Data on textile imports were provided to numerous interests, including Congress, Office of the President, other Executive Departments, and industry groups.

Continued heavy emphasis will be placed on the measurement of economic factors affecting consumption and production of cotton and use of competitive textile fibers.

Wool and Mohair

Emphasis in 1969/70 was placed on projections of U.S. wool production in the 1970's. Market prices for shorn wool were estimated, as well as incentive prices under the formula provided in the 1965 Act. Alternative support levels also were studied, with a view to possible effects on production. This work indicated further declines in production, at different rates, under each alternative. Program costs were derived for each alternative. Such work was done at the request of ASCS, and, in cooperation with PEPS, for the Office of Management and Budget.

An article, "Wool in the United States: Major Trends and Prospects," was published in the Wool Situation. Less production during the 1970's was indicated. Per capita wool consumption was expected to average about the same as in recent years and total use to rise with population increases. However, growth in wool use probable will lag gains in the combined use of all fibers, resulting in a further decline in wool's share of the total market for fiber.

Another activity was started involving economic factors affecting consumption and prices of wool. Emphasis will be given to developing information to strengthen outlook statements in the Wool Situation.

Special data were provided for other agencies of the Department on the wool industry in the United States and other countries, and on wool supplies to members of Congress. Reports on the U.S. wool industry were prepared for the International Wool Study Group, London, and other international organizations.

Tobacco

The export demand for U.S. tobacco strengthened in 1969/70 but domestic use declined further. With rising prices and persistent anti-cigarette publicity, domestic cigarette consumption has turned down.

To measure factors giving rise to reduced cigarette sales and project the longer-range prospects for cigarette consumption, a least squares regression analysis was made of the 1949-68 period. Results showed that anti-cigarette publicity such as occurred in 1953, 1954, and 1964 reduced consumption about 5 percent from what it otherwise would have been. Projections to 1975 based on estimates of relative prices and incomes, percentage of filter-tip cigarettes, and declining number of smokers showed cigarette production as much as 12 percent below the 1969 level.

Export demand for U.S. tobacco was estimated, including the effects of the export payment on tobacco. Both foreign tobacco use and production were analyzed. The export payment of 5.5 cents per pound (farm weight basis) has resulted in about 78 million pounds more exports annually than would otherwise apply.

As service activities, 1980 projections of tobacco supply, use, carryover, and income were updated, and analysts participated in tobacco quota meetings, and interagency meetings on cigarette labeling and advertising legislation. Three articles on structural changes in the tobacco industry were proposed.

Increased emphasis will be placed on analyzing economic factors affecting the amount of tobacco that domestic manufacturers use in cigarettes and that Western European countries take from the United States. Results available on production response to price and alternative costs will be compiled in a more usable form.

Appendices:Work Units

<u>No.</u>	<u>Title</u>
ESA 1 --	Current Outlook and Situation Analysis
ESA 2 --	Supply, Demand and Price Analysis

PublicationsFeed

CLOUGH, MALCOLM and ROSS, J. S. Feed Situation. Published 5 times a year. ERS, USDA, Washington, D. C.

CLOUGH, MALCOLM. Feed Price Variations--Past and Present. Feed Situation, 19-30, April 1970.

ROSS, J. S. Grain Sorghum Trends in the 1960's. Feed Situation, 28-32, May 1970.

Feed Section. Supplement for 1969 to Feed Statistics, Statistical Bulletin 410, October 1969.

Food Grains

ASKEW, W. R. Wheat Situation, issued 4 times a year. Rice Situation, 2 issues.

GOMME, F. R. Trends in U.S. Rice Consumption. Rice Situation, March 1970.

Food Grain Staff. Supplement for 1969 to Food Grain Statistics, Statistical Bulletin No. 423.

Livestock and Meat

SEABORG, DONALD. Livestock and Meat Situation. Published 6 times a year.

SEABORG, DONALD. Beef Cattle: The Next 10 Years. Livestock and Meat Situation, 32-35, May 1970.

LARSEN, JOHN T. Potential Feeder Cattle Supply. Livestock and Meat Situation, 27-29, February 1970.

RIZEK, ROBERT L. AND LARSEN, JOHN T. Our Beef Producing Potential. Livestock and Meat Situation, 19-21, October 1969.

RIZEK, ROBERT L. and ROCKWELL, GEORGE R., JR. Household Consumption Patterns for Meat and Poultry, Spring 1965. ERS, Agricultural Economics Report No. 173, 32 pages, February 1970.

REIERSON, ROBERT. Western Livestock Round-Up. Published 12 times a year by Cooperative Extension Services of various Western States, ERS, and State Extension Services cooperating.

Livestock and Meat Staff. Livestock and Meat Statistics: Supplement for 1969 to Statistical Bulletin No. 33, 152 pp. July 1970.

REIERSON, ROBERT L. Trends in Cattle Feeding. Western Livestock Round-Up, 6-8, February 1970.

SORENSEN, DONALD M. General Economic Situation. Western Livestock Round-Up, 2-3, December 1969.

SORENSEN, DONALD M. National Economy in Transition. Western Livestock Round-Up, 5-6, June 1970.

Dairy

MATHIS, A. G. Dairy Situation, issued 5 times a year.

MILLER, R. R. Regional Changes in Milk Production and Marketings. Dairy Situation, 26-32, July 1969.

MATHIS, A. G. Structural Changes in the Dairy Industry. Dairy Situation, 28-37, September 1969. (Reprinted)

Poultry and Eggs

CATHCART, WILLIAM E. Poultry and Egg Situation. Published 5 times a year.

FABER, FRED L. AND GALLIMORE, WILLIAM W. Changes in Firm and Plant Size in Broiler and Turkey Processing. Poultry and Egg Situation, 10-14, November 1969.

CATHCART, WILLIAM E. Changes in the Poultry Meat Industry and Projections for the Decade. Poultry and Egg Situation, 10-18, April 1970.

CATHCART, WILLIAM E. Changes in the Egg Industry and Projections for 1980. Poultry and Egg Situation, 12-20, June 1970.

Fats and Oils

KROMER, GEORGE W. Fats and Oils Situation, issued 5 times a year.

KROMER, GEORGE W. Cottonseed Oil: U.S. Trends and Market Prospects. Fats and Oils Situation, 21-42, September 1969.

GAZELLE, STANLEY A. U.S. Strategic Oils Stockpile Situation. Fats and Oils Situation, 33-38, November 1969.

KROMER, GEORGE W. Structural Changes in the Soybean Industry. Fats and Oils Situation, 16-37, June 1970.

Fruits

FREUND, R. A. Fruit Situation, issued 4 times per year.

Vegetables and Potatoes

PORTER, C. W. Vegetable Situation, issued 4 times per year.

Cotton and Other Fibers

DONALD, JAMES R. Cotton Situation, published 5 times per year.

BARLOWE, RUSSELL G. AND DONALD, JAMES R. Recent Changes in Selected Cotton End Uses. Cotton Situation, 14-19, October 1969.

BARLOWE, RUSSELL G. AND DONALD, JAMES R. The Cotton Fiber-Textile-Apparel Complex. Structure and Outlook for the 1970's. Cotton Situation, 10-23, May 1970.

MORRISS, E. FRANCES under the supervision of James R. Donald, Supplement for 1969 to Statistics on Cotton and Related Data, 1930-67. Statistical Bulletin No. 417, 112 pp., January 1970.

Wool and Mohair

CLAYTON, LARRY B. The Wool Situation, published 4 times a year.

JONES, MILDRED V. under the supervision of Larry B. Clayton. Wool Statistics and Related Data, 1930-1969, Statistical Bulletin No. 455, 294 pp., June 1970.

Tobacco

MILLER, ROBERT H. Tobacco Situation, quarterly, ERS, USDA, Washington, D. C.

BRADEN, JOHNNY D. Tobacco Production Changes, Tobacco Situation, TS-130: 46-51, December 1969.

BRADEN, JOHNNY D. Changes in Marketing, Processing, and Use of Tobacco. Tobacco Situation, TS-131: 49-55, March 1970.

MILLER, ROBERT H. Tobacco Acreage Harvested and Planting Intentions. Tobacco Situation, TS-131: 44-47, March 1970.

BRADEN, JOHNNY D. and MILLER, ROBERT H. Trends and Prospects for Tobacco Labor. Tobacco Situation, TS-132: 37-41, June 1970.

MILLER, ROBERT H. The Demand for Cigarettes in the United States. The Export Incentive Program and U.S. Tobacco Exports. Papers presented at the 23rd National Tobacco Workers Conference, College Park, Maryland, 16 pp. and 10 pp. January 1970.

Farm Income

1. Program Objective

Major objectives of farm income work are:

Develop and maintain accurate and timely measures of changes in gross farm income, farm production expenses, and net income of farm operators.

Develop and maintain measures of changes in the income of farm people, including their income from nonfarm sources.

Develop and maintain annual distributions of numbers of farms, components of farm income, and off-farm income of farm operator families by value-of-sales classes.

Develop and improve quantitative measures of the interrelationships between agriculture and other sectors of the economy.

Participate in analyses of the effects of proposed farm programs and policies on farm income.

Maintain a comprehensive set of economic time series pertaining to agriculture.

Timely and accurate economic and statistical analyses of the farm income situation and outlook are essential to the evaluation of current and proposed programs for agriculture and changes in the structure of agriculture. Quantitative measures of interrelationships between agriculture and other sectors of the economy are needed for assessing the impact of changes in the farm sector on related nonfarm sectors and vice versa. Centralization of economic time series pertaining to agriculture is required to facilitate the servicing of many requests for economic data on agriculture for use in economic and statistical research, for administrators and policymakers, for farm organizations, and for the public at large.

2. Progress

Current Estimates of Farm Income and Expenses

Both realized gross and net farm income in 1969 registered substantial gains over 1968. Gross income at \$54.6 billion was record high and \$3.6 billion more than a year earlier. Production expenses continued their persistent rise, and at \$38.4 billion were up \$2.4 billion from 1968. Accordingly, with gross income rising more than expenses, realized net farm income increased to \$16.2 billion in 1969, \$1.2 billion higher than in 1968.

On a per farm basis, realized net income in 1969 was record high at \$5,437. This level of income was some \$500 higher per farm than in 1968 and almost \$1,000 per farm above the 1967 average. Disposable personal income per capita of the farm population was estimated at \$2,431 in 1969, record high and more than double the level 10 years earlier. In 1969, disposable personal income per capita of farm residents from all sources averaged 77 percent of the income of nonfarm people, compared with a ratio of 55 percent in 1960.

In the first half of 1970, cash receipts from farm marketings were estimated at \$49 billion, seasonally adjusted annual rate, well above a year earlier. This boosted the level of gross farm income during January-June 1970 to an annual rate of more than \$56 billion, up about \$2 billion from the first half of 1969. Despite this substantial rise in gross farm income, realized net farm income during January-June 1970 was estimated at about the same rate as the previous year. Inflationary pressures in the general economy pushed up farm production expenses in the first half of 1970, eroding most of the gain in gross income of farmers.

Estimates of Distribution of Income

Estimated distributions of numbers of farms, farm income and production expenses, and off-farm income of farm operator families by value-of-sales classes were revised for the years 1966-68. The distributions show rapid changes in the income structure of our Nation's farms in recent years. In 1960, nearly one-third of all cash receipts from farming were accounted for by farms with value of sales of \$40,000 or more. By 1968, the proportion was nearing 50 percent. Also, this same sales class group increased in number from 113,000 in 1960 to 194,000 in 1968. Thus, in 1968 this group of farms with sales of \$40,000 or more represented less than 7 percent of the total number of farms, but accounted for almost 50 percent of cash receipts from farming and nearly 32 percent of the realized net farm income.

Earnings from off-farm sources in 1968 for farm operator families with sales of less than \$2,500 were slightly more than \$6,000. This was almost six times the amount of their net farm income. Families with large farms, those with sales of \$40,000 or more, had off-farm income equal to almost 20 percent of their realized net farm income (\$5,108 compared with \$24,083).

Research on distribution of direct government payments by sales classes indicated that these payments were more evenly distributed among farms than were cash receipts from farm marketings. Also, the benchmarks showed that following the large jump in cotton payments in 1966, a significant increase occurred in the percentage of payments falling in the top sales class--\$40,000 and over.

Work in this area also involved projections of numbers of farms and income and expense elements through 1980. An article was submitted on this research to the Center for Agricultural and Economic Development, Iowa State University, for inclusion in a book which will deal mainly with the probable structure and nature of farming in future years.

Measurement and Analysis of Relationships Between Agriculture and Other Segments of the Economy

An enlargement of the agricultural sectors of the system of input-output accounts from 2 to 10 sectors was completed for 1963. This work was part of a cooperative program with Department of Commerce involving the periodic preparation of relationships which point up the integrated nature of national economic accounts. The expansion of the number of agricultural sectors, along with expansion for the nonagricultural sectors, enables analysts to examine many of the relationships in the U.S. economy that are not apparent from a matrix of fewer sectors.

Estimates for 1963 for agriculture aggregated and classified similarly to those in the 1958 table have been published and appear in Input-Output Structure of the U.S. Economy, 1963, Survey of Current Business, November 1969, Office of Business Economics, USDC.

Analysis of the Impact of Alternative Farm Programs on Agriculture and the General Economy

Several studies were made to assist administrators in appraising the income effects of alternative production, price and payment programs on farm income in future years, particularly 1971-73 and 1975. In part, this work was connected with the work for a new farm bill and involved comparisons between continuation of current programs and assumed programs involving different levels of prices for certain key farm products.

Farm Definition and Classification

A review of literature in a series of interviews with informed people was completed on concepts involved in defining and identifying farms. The investigation reviewed history, emerging problems, and procedures involved in gathering farm income and related data. The current and prospective structure of agriculture was delineated, and information was presented on available statistics and interrelationships between alternative series. The work revolved around current and proposed systems of classifying farms. It also reviewed alternative definitions aimed at including or excluding from the farming sector farms of certain sizes or those carrying on a certain level of activity. The idea which came out strongest in this investigation was that a way must be found to separate the people who live in rural areas chiefly because they enjoy it from those who live there because they make a living from farming. Likewise, nonproductive farms must somehow be separated from productive farms. Statistical problems arising from contracting, integration of operators, corporation farming, and related developments are also discussed.

Centralization and Maintenance of Economic Data

Work continued on the preparation and circulation of a handbook providing the latest information on subjects such as farm income, farm labor, farm finances, retail prices, marketing margins, foreign trade, production indexes, and supplementary data. Distribution of this material, encompassing 250 tables,

is made to approximately 130 policymakers in the Department and other high-ranking officials. Regular mailings coincide with the monthly Crop Production and Agricultural Prices.

Distribution continued of a table of daily market prices for specified agricultural products, and weekly prices for several agricultural products in the National Stockpile. Prices for selected commodities are updated monthly for FAO in Rome.

Files and records on a large number of current and historical economic series relating to agriculture and to the general economy were maintained and updated to serve as a focal point in ERS for supplying such information on a continuing or request basis.

General Service Activities

State tables on farm income and related data were again in heavy demand, mainly requested by the Office of the Secretary. Other specified data on farmers' incomes, including the distribution of income and financial positions, were also in great demand. Many requests were received on the distribution of farms by economic class, by States, as reported by the 1964 Census of Agriculture.

Charts, tables, and graphs were provided for use in publications, both public and private. A major contribution of statistical data was made to the Congressional Committee print Food Cost--Farm Prices. Statistical material, including charts with analyses and outlook statements, were provided for use in explaining the general agricultural outlook to the House Subcommittee on Agricultural Appropriations. Contributions of statistical data were made to the Economic Report of the President, Agricultural Statistics, the Statistical Abstract of the U.S., and other public documents. Nongovernment publications supplied data included the World Almanac, Encyclopedia Britannica, Readers Digest Almanac, Moody's Government Manual, and the Stateman's Yearbook. Charts were provided for the Handbook of Agricultural Charts, and data were supplied for updating popular publications of the Office of Information.

Throughout the reporting year, many requests were received by telephone from offices of the Department and offices of congressmen and congressional committees. These requests mainly for information on farm income and related data were brief in nature. In addition, special compilations were supplied for use in congressional mail or in response to public requests for basic agricultural economic data.

3. The Future

The major problem in the farm income research area remains a lack of up-to-date benchmark data, particularly on farm production expenses and on the various components of farm income by value-of-sales classes. Data just obtained from IRS may be of some help in alleviating this problem. Another problem area is current data on the nonfarm income of nonfarm people which has been obtained in the past decade in 5-year intervals; the next benchmark will probably be

from the 1971 Special Farm Financial Survey to be conducted by the Census Bureau as part of the 1969 Census of Agriculture.

The interindustry analysis is still being carried out at a level which meets the needs of the Department of Commerce. Present manpower assigned to this work can at best meet only minimum objectives; broadening out of work in this area would require more manpower. Use of the input-output framework is believed to have much promise in better understanding the economic structure of agriculture vis-a-vis nonagriculture.

A major emphasis in the next several years centers on improving the reliability of farm income estimates. Work is underway to revise farm income back to 1959 as part of a general effort to revise the national income and production accounts. Particular attention is being placed on improving the farm production expenses account estimates.

The work on income distribution will meet increasing attention as the numbers of farms continue to decline and fewer farms make up the bulk of production and income in agriculture. Additional effort will be made to facilitate analysis of the effects of alternative farm programs and policies on farm income. Some of this effort will be directed toward improving methodology, while additional efforts are being made toward the employment of sector transaction data.

The use of more sophisticated research techniques will be investigated. But these techniques will not be successful without more up-to-date benchmarks on farm income and expenses, the distribution of income, and on the nonfarm income of farm people. There is still a great need for annual survey data in order to keep up with the changes in income structure in agriculture.

Some improvement in data sources is already in prospect from material being obtained from the Internal Revenue Service. In addition, the Statistical Reporting Service is actively considering a major large scale production expense survey in order to update weights used in the Parity Index. Some information to be obtained from the 1969 Census of Agriculture may be of help in improving the reliability of farm income estimates.

Appendices:Work Units

<u>No.</u>	<u>Title</u>
ESA 3-1-54-00	Estimates of farm income and expenditures, and income of farm people
ESA 4-1-54-00	Income estimates analysis and development
ESA 4-1-46-12-X1	Adaptation of definition of a farm to fit changing structure of agriculture
ESA 4-2-54-00	Relationships between agriculture and other sectors of the economy
ESA 5-1-54-00	Centralization and maintenance of economic data pertaining to agriculture

Publications

Farm Income Situation, published in July 1969 and February 1970.

Supplement to July 1969 Farm Income Situation. 134 pp. August 1969.

Income of Farm Operator Families by Value of Sales Classes. Farm Income Situation, pp. 67-73. July 1969.

FOOTE, RICHARD J. Concepts Involved in Defining and Identifying Farms. 111 pp. June 1970, ERS-448.

MYERS, MARDY. Major Statistical Series of the U.S. Department of Agriculture. Agriculture Handbook No. 365, Vol. 3, Gross and Net Farm Income. 17 pp. September 1969.

WEEKS, ELDON E. The Agricultural Industry. 18 pp. February 1970. (Talk given at the 1970 National Agricultural Outlook Conference, Washington, D.C.)

Demand Analysis

1. Program Objectives

The analysis of the general economy and the agricultural situation provides the basis for predicting fundamental trends in demand for farm products, farm product prices, input prices, and farm incomes. Evaluation of past and current developments is essential in developing analytical tools for aggregative price and income analyses and individual commodity research and forecasting.

The methodologies created through these activities are utilized in evaluating, and determining Department policy for a variety of program areas.

A major objective of this analysis is to secure, organize, and disseminate information and data in a readable form to the general public, Government administrators, and other economists. The primary outlet for this material is the Demand and Price Situation.

2. Progress

Numerous developments in the general economy during the year were analyzed with respect to their effect on the demand and supply of farm products, prices received and paid by farmers, and the general agricultural situation and outlook. Short-term forecasts of the general economy and agriculture (for the next 12 to 18 months) were made on a quarterly basis and distributed within the Economic and Statistical Analysis Division. One example of this short-range forecast was an estimate of the influence of the slowdown in general business activity on consumers' disposable incomes. Another area of important concern has been the continued increases in most nonfarm prices.

Appraisals of the current business situation were also made by evaluating the impact of increased social security taxes, reductions in national defense spending, the impact of higher savings rates, availability of mortgage funds for the housing industry, businessmen's investment anticipations, and international finance problems.

Long-run projections of employment, output, consumers' after-tax incomes, and the parity index were prepared as background material for farm program appraisal work being carried out in ESAD. This work is maintained on a continuing basis to help analyze farm policy proposals.

An additional objective of developing methodology was achieved through utilization of improved technologies in building statistical models. Quarterly models of the general economy and agricultural sectors are examples of this progress.

The agricultural situation and outlook for 1969 and 1970 was reported in the Demand and Price Situation in August and November 1969, and February and May 1970. Other appraisals of the general agricultural and business situations were released through the Agricultural Outlook Digest, Farm Index, Agricultural Situation, Working Data for Demand Analysis, and Handbook of Agricultural

Charts, presentations at regional and national outlook conferences, radio broadcasts, special articles, memorandums and correspondence. Among the special groups addressed during the year were the Meat Animal Group at Omaha, the Colorado State Outlook Meeting at Denver, the Northeast Agricultural Conference at Hartford, and the College Poultry Survey Committee in Washington, D.C.

A number of statements and analyses were also prepared for various USDA commodity marketing guides. Statistical advice was also provided to analysts in other agencies and private researchers. Several outside publications have acknowledged the use of the material in private communications. Relationships were also expanded through informal meetings and discussions with economic analysts in Government, academic, and business circles.

3. The Future

Work is continually underway to improve existing analytical techniques. Currently, work to improve short-term statistical techniques for estimating supplies and prices for a number of major agricultural commodities is being carried out. Other research areas include work on an aggregative agricultural model, a more detailed general economic model, and analysis of the demand for capital and current farm inputs. A project is also underway to aggregate quarterly supplies of livestock and products for analytical purposes. A large econometric agricultural sector model developed by a private researcher has been acquired recently. Efforts are being made to make this model operational for aggregative policy appraisals. The impact of inflation on agricultural prices is also being studied. The impact of changes in the distribution of family income is another area of analysis.

Appendices:Work Unit

<u>No.</u>	<u>Title</u>
ESA-6-1-54-00	Domestic and Foreign Demand for Farm Products and the Agricultural Outlook

Publications

Demand and Price Situation. Published quarterly.

Working Data for Demand Analysis. 12 pp. October 1969.

AHALT, J. Dawson. Growing Markets, Better Incomes Boost Demand. Agricultural Situation 53, No. 5, 2-3. October 1969.

HARRON, MEYER J. General Economic Situation. Paper presented at a workshop at the Northeast Agricultural Outlook Conference, Hartford, Connecticut. 7 pp. September 1969.

AHALT, J. DAWSON. Agricultural Outlook and Situation. Paper presented at a workshop at the Northeast Agricultural Outlook Conference, Hartford, Connecticut. 10 pp. September 1969.

AHALT, J. DAWSON. A Look at Agriculture through Input-Output Analysis. Demand and Price Situation. DPS-123: 26-29. February 1970.

AHALT, J. DAWSON and HARRON, MEYER J. Agriculture in the Seventies. Demand and Price Situation. DPS-124: 22-31. May 1970.

The 1971 Agricultural Budget in Brief. Demand and Price Situation. DPS-123: 24-25. February 1970.

Long-run Agricultural Projections

1. Program Objectives

Provide integrated long-run projections of supplies, utilization, prices and income for agriculture.

Analyze the long-run implications of alternative farm programs.

Improve and extend currently available systems of supply and demand equations for projecting output, consumption and prices for major livestock products and field crops.

2. Progress

Detailed projections for major agricultural commodities and related data were completed for 1980. These projections included changes in population and the general economy, supplies, distribution, and prices for the major commodities, and aggregate measures of production, prices, consumption, and land use.

Results of this work indicate that growth in population in the general economy will bring continuing expansion of domestic food requirements. The major consumption trends of recent years are projected to continue. Substantial further increases are expected in per capita consumption in beef and poultry, but per capita use of milk is projected to decline further. Food use of most crop products may expand about in line with population; however, processed fruits and vegetables will continue to displace fresh use. Total use of food fats and oils is likely to rise further with increases in vegetable oil consumption more than offsetting declines for animal fats. Use of feed crops should continue to rise at least as rapidly as in recent years. Total exports of crops, especially feed grains and soybeans, are expected to rise somewhat more rapidly than domestic use.

The projected demand picture will require substantially increased production for most livestock products and for total crops. Crop yields may rise about as rapidly as demand, with acreage needed for crop production in 1980 likely to be near recent levels. Prices for major crops are expected to remain near levels of recent years, but livestock prices may rise somewhat over the next decade.

Projections made with several alternative assumptions on farm programs were provided for use within the Department. A livestock-feed model was used to generate estimates of likely domestic production and prices for beef with alternative levels of beef imports. Other program analysis activities included providing inputs for the Department budget and planning work, and for ERS analyses of various farm legislation proposals.

Work was continued to develop a wheat market model with emphasis on analysis of policy variables. The model is being specified to include the impact of policy variables such as acreage allotments, price support levels, and PL-480

shipments on domestic wheat price, food and feed use, commercial exports, stock levels and harvested acreage. Several alternative econometric formulations have been specified and a 7-equation simultaneous model has been estimated. Analysis of policy variables has been attempted and the model, subject to further modifications, appears to be useful in analysis of feed use of wheat and related policy questions.

Efforts were continued to improve presently available models of the livestock sector using principal component analysis. A tentative set of revised equations for estimating production and prices for major livestock items has been developed. Validation of these estimated relations has not been completed.

Major service work activity within the Department included yield committee work and other activities of the ERS Economic Projections Committee. In addition information was provided to a number of research workers within the Department for use in developing their own research efforts. A variety of projections data has been provided for use by other government agencies and research workers outside the Department. In addition we have provided published projections reports and consultation to fill a large number of requests by business firms about projections information and procedures.

3. Future

Emphasis will be continued toward updating presently available model systems and developing improved concepts for analyzing policy issues. Estimating techniques to be used will include further work with principle component analysis and use of distributed lags. We expect to place additional emphasis on developing more highly aggregated models for use in projecting farm output and price levels. In addition, we hope to devote more attention to improving our methods for handling data.

Appendices:Work Units

<u>No.</u>	<u>Title</u>
ESA 7-1-54-00	Long-run projections of agricultural supplies, utilization, prices and income
ESA 7-2-54-00	Analysis of long-run implications of alternative farm programs
ESA 7-3-54-00	Long-run aggregate supply and demand structure: Livestock and products, feed and other field crops

Publications

CULVER, DAVID W. and CHAI, J. C. A View of Food and Agriculture in 1980. Manuscript prepared for publication in Agric. Econ. Res.

DALY REX F. Exploring the Future of Agribusiness Industry. Paper presented before the Tennessee Farmers Cooperative, 25th Annual Meeting, Nashville, Tennessee, December 1969.

Food Consumption

1. Program Objectives

Develop and maintain statistical data appropriate for use in formulating the outlook for food and analyzing the demand for food.

Formulate the outlook for retail food prices, food consumption, and food expenditures, and prepare the National Food Situation for publication.

Develop and maintain statistical data on the sources of supply and the various uses of all farm commodities.

Analyze the demand for food as necessary to support the outlook work, evaluate public policies regarding food, understanding changes occurring in the food production and marketing system, and contribute to our reserve of knowledge in agricultural economics.

2. Progress

Continuing and special studies of food prices, consumption, and expenditures were conducted throughout the year in appraising the outlook of the national food situation. The results of these analyses were published quarterly in the National Food Situation and other current reports. The index of per capita food consumption increased fractionally in 1969 and preliminary data for 1970 indicate another small increase. During the fiscal year ending June 30, 1970 the consumption of livestock products increased 1 percent. Most of the increase was attributed to a rise in meat and poultry consumption.

Despite the increase in consumption, and an accompanying increase in supplies, retail store prices of food increased about 5 percent during fiscal 1970. Much of the increase occurred during the November-February period when prices usually hold steady.

One of the most significant developments in food prices was the more than 50 percent increase in retail egg prices between June 1969 and January 1970. However by June, the price had dropped back to about the same level as a year earlier. Although egg prices contributed substantially to the food price increase in late 1969 and early 1970, smaller increases for other commodities accumulated and offset the subsequent drop in egg prices. Other products with large price increases were: Pork, 6 percent; fish, 10 percent; fats and oils, 8 percent; fresh fruits and vegetables, 9 percent; and beverages, 12 percent. The price of food eaten away from home increased 8 percent. The percent increase in all food prices was less than the 6 percent increase in the total Consumer Price Index.

As a result of the increases in both food consumption and food prices, total expenditures for food also increased. However, the increase in expenditures was somewhat smaller than the increase in income. Thus, the percentage of income spent for food declined slightly. At the end of fiscal 1970, 16.5 percent of income went for food compared with 16.8 percent the year before.

Participation of ERS in the Southern Regional Technical Committee, SM-34, continued. Income elasticities and food consumption indexes from the 1965 Household Food Consumption data have been given to the members of the Committee. Representatives from Georgia, North Carolina, and Tennessee also have contributed to the research on the demand for food.

The consumption of food away from home was studied using data on diets of individuals collected in 1965. According to the survey 14 percent of the meals and snacks were eaten away from home. Only 7 percent of breakfasts were eaten away from home while 23 percent of noon meals were eaten out. The proportions of different foods eaten out were related to the traditional meal at which they are eaten. Thus eggs, cereals, and fruit juices were least in proportion while candy and soft drinks were eaten away from home most frequently. There was little difference in these patterns among regions and urbanizations. There were significant differences among income groups in the importance of meals and snacks outside the home. Families with incomes under \$3,000 ate 10 percent out, while those with incomes over \$8,000 ate 17 percent of their meals away from home.

An article was published in the National Food Situation explaining alternative programs of food assistance in welfare programs. Although income supplements are appealing, because of the freedom of choice, they are expensive. In addition there is no guarantee that free choice will lead to adequate nutritional levels in diets of recipients. Thus some system of directed food programs, accompanied by nutritional education, seems to provide an efficient method of closing the food and nutrition gap. All of the USDA food programs were expanded greatly during the 1970 fiscal year. Further expansion is planned in the next year. These programs include: Food Stamp, School Lunch, commodity distribution to needy families, and donations to institutions and schools.

3. Future

In addition to the regular work on situation and outlook for food prices, consumption, and spending, research efforts will be concentrated on the following areas in fiscal 1971.

Further refinement of income elasticities by analyzing the individual household data from the 1965 survey.--These data have only recently been received and work has already begun on processing of the data. These analyses will permit estimates of elasticities for various groups of households. For example, comparisons of income elasticities for poverty and non-poverty households will be made. Data for groups of food as well as individual items will be analyzed.

Development of annual time-series consumption indexes for each of 5 income groups, 4 regions, and 3 urbanizations.--These indexes will utilize the cross-sectional quantity index numbers developed for 1965 and 1955 from the household food surveys and the annual national consumption indexes compiled in the Division. This work will progress as resources become available.

Continuation of the appraisal of the effects of expanded food programs on the demand for food and the related prices and food expenditures.

Study of the possible impact on food consumption patterns of dietary changes indicated to conform to intake levels recommended by heart specialists. Consumers are urged to follow these recommendations to help avoid heart disease and related illnesses and diseases.

Appendices:Work Units

<u>No.</u>	<u>Title</u>
ESA 8-1-54-00	Estimation and analysis of food supplies, consumption, and prices
ESA 8-2-54-00	Supply and utilization indexes of farm commodities
ESA 8-3-54-00	Analysis of changes in the demand for food

Publications

CLOUGH MALCOLM. Consumption of Corn, Oats, and Barley Food Products. National Food Situation. NFS-132, pp. 22-24, May 1970.

EKLUND, HELEN M. USDA Domestic Food Programs. National Food Situation. NFS-129, pp. 26-29, August 1969.

EKLUND, HELEN M. Grocery Store Sales. National Food Situation. NFS-130, pp. 25-27, November 1969.

FRIEND, BERTA. Nutritional Review. National Food Situation. NFS-130, pp. 28-32 November 1969.

GRAY, FREDERICK D. Cyclamate Sweeteners. National Food Situation. NFS-130, p. 27, November 1969.

HIEMSTRA, STEPHEN J. Food: A Special Issue in Welfare Programs. National Food Situation. NFS-131, pp. 25-30, February 1970.

HIEMSTRA, STEPHEN J. Food, Consumption, Prices and Expenditures. Supplement for 1968 to AER-138, 101 pp, January 1970.

LE BOVIT, CORINNE. Foods Eaten Away From Home. National Food Situation. NFS-132, pp. 25-31, May 1970.

Agricultural History

1. Program Objectives

Historical research on major developments in farming and changes in policies, programs, and organization of the Department of Agriculture provides a background for understanding current agricultural problems, for developing governmental programs aimed at solving these problems, and for developing a wider understanding of the past achievements of agriculture and the Department.

Major objectives of the research are to provide some of the basic information needed by the Secretary of Agriculture, Executive Offices of the President, presidential commissions, and the Congress in formulating and evaluating agricultural programs and policies, to develop the historical background of changes in American farming, and to assist the scholarly community in its studies of agricultural development and farm policies.

2. Progress

Several staff papers on the history of the Department and on the history of farm price and related programs were completed for the use of the Administrator, the Director of Agricultural Economics, and others as part of the objective of providing some of the basic information needed for policy formulation and evaluation. A comprehensive history of the wheat programs of the Department, published during the year, was used in developing alternative new legislative proposals.

The second objective of developing the historical background of changes in American farming led to two articles for the 1970 Yearbook of Agriculture and to a major symposium on the history of American agriculture, 1970-1840. The authors of the first Yearbook article concluded that in spite of changing circumstances, farmers themselves cling to traditional rural values. The author of the second Yearbook article concluded that the agriculture of the Great Plains has been transformed over the past 35 years, largely through Government programs started in the 1930's. The symposium on the history of American agriculture was sponsored by the Agricultural History Society, Old Sturbridge Village, the Smithsonian Institution, and the Department of Agriculture. The three-day program was planned by the Agricultural History Branch. Proceedings will be published in January 1972.

The symposium advanced the third objective of assisting the scholarly community in its studies of agricultural change and farm policies. A cooperative program with the University of California to make sections of the Bibliographic Index of American Agricultural History available is another contribution to the scholarly community. An additional list of references covering American Agriculture, 1790-1840, was published, while four other lists neared publication. Other types of service work provided to the scholarly community are discussed next.

The Agricultural History Branch maintains, in effect, a professional consulting service for the scholarly community and government personnel in the broad field

of agricultural history, including changes in farming and in government farm policies. This service activity includes counseling graduate students and other research workers on both specific topics and sources; making available bibliographical, chronological, and source material; and advising on the development of research projects. In addition, the Branch reviews many manuscripts each year. A number of specific requests for historical information are handled on a day-to-day basis.

3. The Future

The most important long-term problem so far as Branch organization is concerned, is recruiting and training two or three younger historians who will be interested in further development of the work.

So far as research problems are concerned, there is considerable demand for a study of the growth of farm organizations and, in particular, their relation to the development of agricultural policy.

The demand for staff studies of Department organization continues. A research study on personnel administration in the Department, when completed, will help meet this need. Further work on the changing nature of Federal farm programs and their administration is needed.

The problem of change in American agriculture--what, how, and why--has been studied in bits and pieces. The problem is to bring these together in a meaningful way.

The problem of maintaining agricultural exports, and the possible use of surpluses to aid the developing nations to improve their agriculture merit continued study. A knowledge of past experience will aid in determining future actions to be taken in these areas.

The objectives of the historical program, developed over a period of years, need implementation rather than change.

An unstated objective of the Agricultural History Branch is to anticipate future needs for background information. Thus, activities are undergoing continuing review in an effort to anticipate needed changes in emphasis.

Appendices:Work Units

<u>No.</u>	<u>Title</u>
ESA 9-1-54-00	Service Work on the History of Agriculture, Including Collection, Maintenance and Analysis of Historical Records
ESA 9-1-05-08-X1	Cooperative Work on the Bibliographic Index of American Agricultural History
ESA 9-2-54-00	History of Department Policies, Organization, and Administration
ESA 9-3-54-00	History of Production Adjustment, Price Support and Related Programs

Publications

BOWERS, D. A List of References for the History of Agriculture in the United States, 1790-1840. Agricultural History Center, University of California, Davis. 141 pp. 1969.

HADWIGER, D. F. Federal Wheat Commodity Programs. Iowa State University Press. 407 pp. 1970.

ROGERS, E.M. Books on Agricultural History Published in 1967. Ag. History, Vol. 43, No. 4, pp. 483-488. October 1969.

WISER, V. A Chronology of American Agriculture, 1790-1970. Unnumbered. 1 p. 1970.

WISER, V. Forty Years of Action. OPEDA. Unnumbered. 14 pp. September 1969.

NATIONAL AGRICULTURAL LIBRARY



1022467401

* NATIONAL AGRICULTURAL LIBRARY



1022467401